## Message Text

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17

**ACTION EA-10** 

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 STR-04

FEA-01 OES-03 INT-05 SAM-01 SAJ-01 /115 W

----- 040580

PR 250923Z JUN 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 1135

INFO AMEMBASSY BANGKOK

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

CINCPAC HONOLULU HI

CONFIDENTIAL TOKYO 8478

**NOFORN** 

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, PDIP, EAID, JA, VN

SUBJ: JAPAN-DRV RELATIONS: HANOI UPS THE ANTE

REF: TOKYO 7496

SUMMARY: HANABUSA MISSION TO VIENTIANE FAILED TO CONCLUDE NEG-CONFIDENTIAL

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OTIATIONS WITH DRV ON ECONOMIC ASSISTANCE AND QUESTION OF OPEN-ING EMBASSIES. HANOI REPS REVERSED EARLIER POSITION AND IN-SISTED THAT ENTIRE AID PACKAGE BE SETTLED BEFORE AGREEING TO OPEN EMBASSIES. UNSURE WHETHER HANOI IS RAISING AMOUNT OF AID DEMANDED, JAPANESE ARE NEVERTHELESS CONVINCED THAT PRIOR RESOLUTION OF ASSISTANCE IS A FIRM POSITION ON HANOI'S PART ENS SUMM.

- 1. FONOFF FIRST SE ASIA DIVDIR HANABUSA'S JUNE 12-20 MISSION
  TO VIENTINAE FAILED TO RESOLVE DIFFERENCES BETWEEN TOKYO AND
  HANOI TO PERMIT OPENING EMBASSIES. INDEED HANOI RAISED THE
  STAKES IN THE NEGOTIATIONS AND INSISTED THAT ENTIRE AID PACKAGE
  BE SETTLED BEFORE CONCLUDING "PARALLEL" NEGOTIATIONS ON DIPLOMATIC MISSIONS. DESPITE END OF WAR, HANOI MADE ONLY MINOR
  CHANGES IN SHOPPING LIST OF ITEMS TO BE PROVIDED UNDER 5 BILLION
  YEN GRANT. AMONG FEW CHANGES, FISHING TRAWLER MOTORS WERE DELETED AND SIX EARTH EXCAVATORS WERE SUBSTITUTED. ALTHOUGH NORTH
  VIETNAMESE OFFICIALLY SAID EXCAVATORS WOULD BE USED FOR HOUSING
  DEVELOPMENT, NEGOTIATORS INFORMALLY TOLD HANABUSA THAT EARTH
  MOVERS WOULD ALSO BE USED TO BUILD MAUSOLEUM FOR HO CHI MINH.
- 2. NEW OBSTACLE IN NEGOTIATIONS IS RENEWED INSISTENCE ON PART OF HANOI THAT TOTAL AID FIGURE BE DEFINITIVELY SETTLED. (IN MARCH, HANOI HAD AGREED TO NEGOTIATE FINAL TOTAL FIGURE FOR ASSISTANCE BETWEEN TOTAL 14.5 BILLION YEN HANOI WANTED AND 12 BILLION YEN TOKYO OFFERED AFTER EMBASSIES WERE OPENED.) HANA-BUSA IS UNSURE WHETHER HANOI PLANS TO ASK FOR EVEN MORE THAN 14.5 BILLION, STIFFEN ITS DEMAND FOR 14.5 BILLION, OR COMPROMISE AT A LWER FIGURE, BUT HE IS CONVINCED THAT HANOI WANTS TO SETTLE ALL ECONOMIC ASSISTANCE MATTERS PRIOR TO OPENING OF EMBASSIES. REASON, ACCORDING TO HANABUSA, IS HANOI'S SEVERE ECONOMIC REQUIRE-MENTS AND ITS PARLOUS ECONOMIC PROSPECTS. HANOI DOUBTS THAT MOSCOW OR PEKING WILL MAINTAIN FORMER ASSISTANCE LEVELS NOW THAT WAR IS OVER. BECAUSE OF THIS AND, HANABUSA SAYS, HANOI'S DESIRE NOT TO BE TOTALLY DEPENDENT ON COMMUNIST SUPERPOWERS, GDRV WANTS TO PIN DOWN ASSISTANCE FUNDS FROM NON-COMMUNIST NATIONS. ESPECIALLY JAPAN. ALTHOUGH NOTHING WAS AID ON SUBJECT IN VIEN-TIANE, HANABUSA SURMISES THAT HANOI ALSO WANTS TO NORMALIZE RELATION S WITH WASHINGTON AND OBTAIN US ECONOMIC ASSISTANCE. SINCE HANABUSA BELIEVES IT IN OUR MUTUAL INTEREST TO WEAN HANOI FROM MOSCOW AND PEKING, HE WELCOMED RECENT US POLICY STATEMENTS WHICH DID NOT FORECLOSE POSSIBILITY OF NORMALIZATION CONFIDENTIAL

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OF US-DRV RELATIONS IN FUTURE AND WHICH INDEED PUT HANOI ON NOTICE OF CONDITIONS UNDER WHICH NORMALIZATION MIGHT TAKE PLACE.

3.DESPITE FACT THAT GOJ LOSES LEVERAGE IN BARGAINING FINAL FIGURE FOR ASSISTANCE BEFORE OPENING EMBASSY HANABUSA NEVERTHELESS APPRECIATES WHAT HE PERCEIVES TO BE HANOI'S MOTIVES AND, FOR REASONS CITED IN PARA 2 ABOVE, CONCLUDES THAT IT IS NOT INCONSONANT WITH JAPAN'S INTERESTS TO TRY TO REACH A FINAL SETTLEMENT SO THAT A JAPANESE (AND NON-COMMUNIST) PRESENCE CAN BE ESTABLISHED IN HANOI. TALKS WILL CONTINUE IN VIENTIANE.

4. COMMENT: ECONOMIC NEEDS AND AVAILABILITIES ASIDE, HANOI'S POSITION REFLECTS THE CONFIDENCE THAT COMES FROM VICTORY.

GDRV NEGOTIATORS NO LONGER NEED WORRY ABOUT JAPAN'S ATTITUDE TOWARD THE PRG AS A BARGAINING COUNTER. EVEN BEFORE THE WAR ENDED, HANOI HAD GRADUALLY BARGAINED THE OVERALL AID AMOUNT ACCEPTABLE TO JAPAN FROM AN INITIAL 5 BILLION YEN TO 12 BILLION YEN. WITH VICTORY A FACT, DRV LEADERS PROBABLY ESTIMATE JAPAN CAN BE SQUEEZED FOR MORE TO ASSURE TOEHOLD IN HANOI. THEY ARE PROBABLY RIGHT.

CONFIDENTIAL

<< END OF DOCUMENT >>

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HONG KONG JAKARTA KUALA LUMPUR **MANILA** MOSCOW

PARIS
PEKING
SEOUL
SINGAPORE
CINCPAC HONOLULU HI
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